



Daily trading plan for June 18, 2007

1. ESU7 IN PREVIOUS DAY

Open	High	Low	Closing
1549.75	1554.00	1546.50	1547.75

2. PIVOTS FOR ESU7

	Daily	Weekly	Monthly	Yearly
R3	1559.83	1613.17	1609.00	1722.00
R2	1556.92	1583.58	1573.50	1583.50
R1	1552.33	1565.67	1553.25	1506.00
PPT	1549.42	1536.08	1517.75	1367.50
S1	1544.83	1518.17	1497.50	1290.00
S2	1541.92	1488.58	1462.00	1151.50
S3	1537.33	1470.67	1441.75	1074.00

3. FOCUS NUMBERS (intra-day Position trading)

Sell levels	Buying levels
1559.25-60.50(First Sell#)	1539.00 (first Buy#)
1565.50-66.75(Second Sell#)	1535-34.25 (second Buy#)

4. MAJOR RESISTANCE AND SUPPORT LEVELS FOR TODAY

Resistance	1553.25	1555.25	1559.25	1563.25	1566.75
Support	1539.00	1535.00	1530.75	1527.25	1523.50

5. LONG-TERM OUTLOOK

The S&P 500 Index (SPX) moved back up to its June 4 top, a net weekly gain of 25.24 points, and closed at 1532.91. The sharp decline early last week has already been erased. The break above 1516.58 was positive and created the first real reaction low since March 24 low around 1490.16. This low could be regarded as a base level for next uptrend move.

This week, as long as SPX holds above 1500 level, the current trend remains bullish. If we see a breakout of the 1545 level, the SPX is likely to move up to 1558-63 range or higher

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to 1572-75. Conversely, if we see a move below we should look for a continuation of last week's decline and a retest of the 1488-90 range.

Weekly major resistance level for SPX is 1575 and support level is 1490

SPX WEEKLY Chart



6. WEEKLY OUTLOOK - ES

The weekly outlook for the futures contract (ESU7) is similar to the SPX, with different resistance and support levels that reflect the premium attached to the futures. If ES breaks out of the 1555 level, it is likely to move higher to 1562-63 range or further to 1582-86 range to complete the bullish pattern.

We may see Friday's gap filled early this week, but as long as 1506 level holds the price up, expect a sideways movement or possibly new highs. But if ES breaks support at the 1506 level, we should expect the 1494-92 range to be retested.

Weekly major resistance level is 1586.50. Weekly major support is 1496

ES WEEKLY Chart



7. DAILY OUTLOOK

Last Friday ES gaped up on reports purporting to show a moderate rise in a key U.S inflation measures and continued manufacturing gains. We believe the reports are skewed and over-optimistic, but investors are full of enthusiasm for our financial markets and keep pouring money into them. Our basic stance is cautious. Optimism is pushing the market to new highs. It can't last forever, but it can certainly go further than anyone expects, and traders should not ignore these bull moves. But handle with care; the reversal, when it comes, will be sharp and fast.

Today we may see ES pullback into 1539-35 range to fill Friday's gap before it moves back up again.

ESU7 DAILY Chart



8. TRADING STRATEGY FOR June 18, 2007

Last Friday ES gapped up on very active pre-market trading before the open. The day session managed to hold above the gap, but was unable to hold price at the top of the range for closing, and ES formed a narrow range day (NR7). Today we should expect a break out of Friday's narrow range in both directions (Shakeout move).

if ES fails to breakout 1555 in the early trading, it is likely to go down to retest 1546 level first. If it then breaks down 1545.75 level, down side momentum is likely to push price down to 1539.50-42 range (LONG entry). If ES does break out 1555 level first, upside momentum could push price up to 1559.25-1561.50 range (SHORT entry). But be prepared, ES could reverse from this level and move down to 1546.75 at fast pace.

Intraday swing position entry on short side:
1559.00 (scalping) 1561.50 (agg) and 1565.50-66.75 (cons)
Intraday swing position entry on long side:
1541.25 (scalping) 1539.00 (agg) and 1535-34.75 (cons)

ESM7 INTRADAY



8. PREDICTION FOR TODAY'S MOVEMENT

Current (interval=0.98)

1556.64	+2/8
1555.66	+1/8
1554.69	8/8
1553.71	7/8
1552.73	6/8
1551.76	5/8
1550.78	4/8
1549.80	3/8
1548.83	2/8
1547.85	1/8
1546.88	0/8
1545.90	-1/8
1544.92	-2/8

Up (Interval=3.95)

1570.31	+2/8
1566.41	+1/8
1562.50	8/8
1558.59	7/8
1554.69	6/8
1550.78	5/8
1546.88	4/8
1542.97	3/8
1539.06	2/8
1535.16	1/8
1531.25	0/8
1527.34	-1/8
1523.44	-2/8

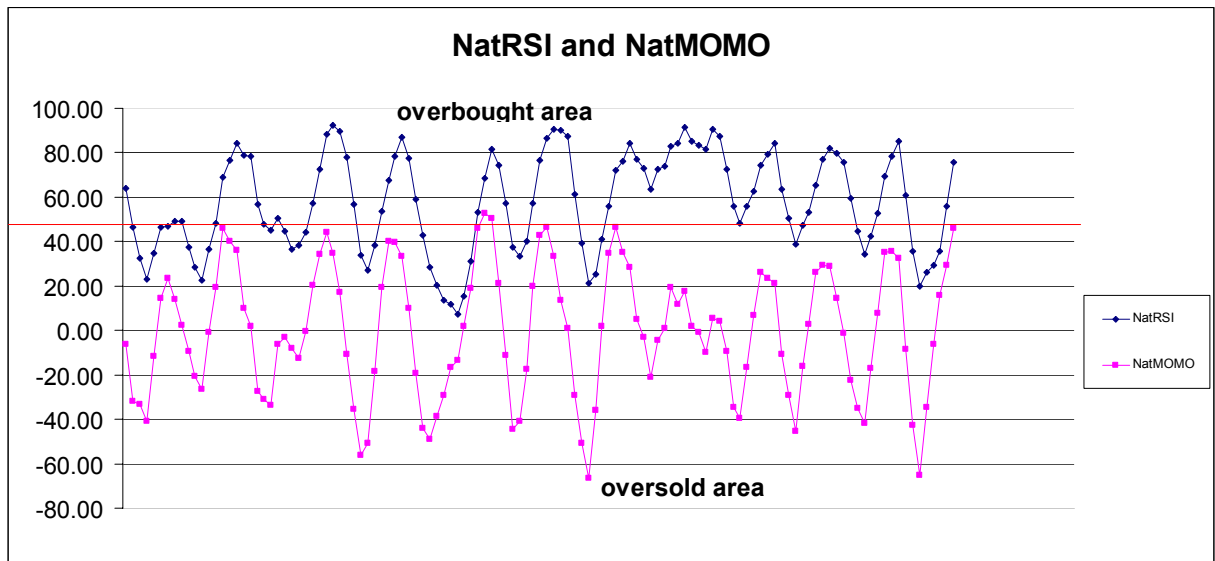
Down (Interval=1.95)

1558.59	+2/8
1556.64	+1/8
1554.69	8/8
1552.73	7/8
1550.78	6/8
1548.83	5/8
1546.88	4/8
1544.92	3/8
1542.97	2/8
1541.02	1/8
1539.06	0/8
1537.11	-1/8
1535.16	-2/8

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9. OTHER INDICATORS

NatRSI (1day)	NatRSI (5day)	NatMoMo	ATR 10	Waist number
0.35	0.77	46.20	15.48	1548.75
neutral	Overbought			



10. WEEKLY ECONOMIC REPORTS (<http://www.tradethenews.com/weekly-calendar.php>)

Projected Economic Releases for This Week

(Consensus Forecasts vs. Previous Report)

Jun 19

Housing Starts	8:30	May	1485K vs 1528K
Building Permits	8:30	May	1475K vs 1457K

Jun 20

Crude Inventories	10:30	06/15	NA vs 82K
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Jun 21

Initial Claims	8:30	06/16	310K vs 311K
Leading Indicators	10:00	May	0.2% vs -0.5%
Philadelphia Fed	12:00	Jun	7.0 vs 4.2

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